

Amendment No. 4 to HB2754

**Vaughn
Signature of Sponsor**

AMEND Senate Bill No. 2498*

House Bill No. 2754

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

by deleting all language following the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 50, Chapter 1, Part 3, is amended by adding the following as a new, appropriately designated section:

(a) As used in this section, employee benefit plan is limited to an insurance plan that provides health insurance coverage of any type, life and accident insurance or disability insurance.

(b) An employer with fifty (50) or more employees may not terminate any employee benefit plan unless that employer provides reasonable notice to the affected employees no later than seven (7) business days after termination of the plan. Notice may be accomplished by any reasonable means, including by providing affected employees with written or email notification, by posting information on an employee bulletin board or any other media reasonably available to employees, or by making an announcement on a public address system that is able to be heard by all affected employees, so long as effective notice is reasonably available to all affected employees. A violation of this subsection shall include only a negligent, reckless or intentional disregard of the duty to give reasonable notice to the affected employee population. An employer will be deemed to be in compliance with this act if that employer provides an employee benefit plan which is subject to the federal Employees Retirement Income Security Act (ERISA), 29 U.S.C. § 1001 et seq., and if that employer provides a notice in a manner and within the time period prescribed by ERISA for benefit plans subject to ERISA by publication of a summary of material modification, or by notice of publication of a summary plan description, as those terms are defined in ERISA.

(c) Termination of an employee benefit plan includes:

(1) Termination of a plan for which the employer provides payment or contribution in whole or in part, including termination of the employer's portion of the payment for the plan, regardless of whether the employee has the option, by law or by contract, to continue to purchase the plan by paying the employer's portion of the payment; and

(2) Termination of a plan involving employee-only contributions.

(d) If an employer gives notice to fifty (50) or more employees within a three (3) month period that an employee benefit plan as defined in subsection (a) has been terminated, then notice of the plan termination must be provided to the commissioner of labor and workforce development concurrently with the notice provided to the fiftieth (50th) employee.

(e) Nothing in this section shall be construed to require an employer to provide notice of its intent to terminate an employee, except as otherwise required by law or contract. Regardless of the period of time between notice of termination of an employee and the effective date of the employee's termination, notice of termination of the employee serves as effective notice of the termination of employee benefit plans for the purposes of this section. Nothing in this section is intended to alter, impair or modify the doctrine of employment at will as observed in this state.

(f) An employer who fails to give notice as required pursuant to subsection (b) is subject to a civil penalty of five hundred dollars (\$500) per employee who did not receive the required notice. This fine shall be assessed by the commissioner of labor and workforce development.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring

it.